

# **EXHIBIT 50**

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## Gajapathi slams UPA for Air India losses

*The UPA government had in 2004 ordered 111 planes for Air India for Rs 51,000 crore. Since then, the airline has accumulated losses of over Rs 30,000 crore.*

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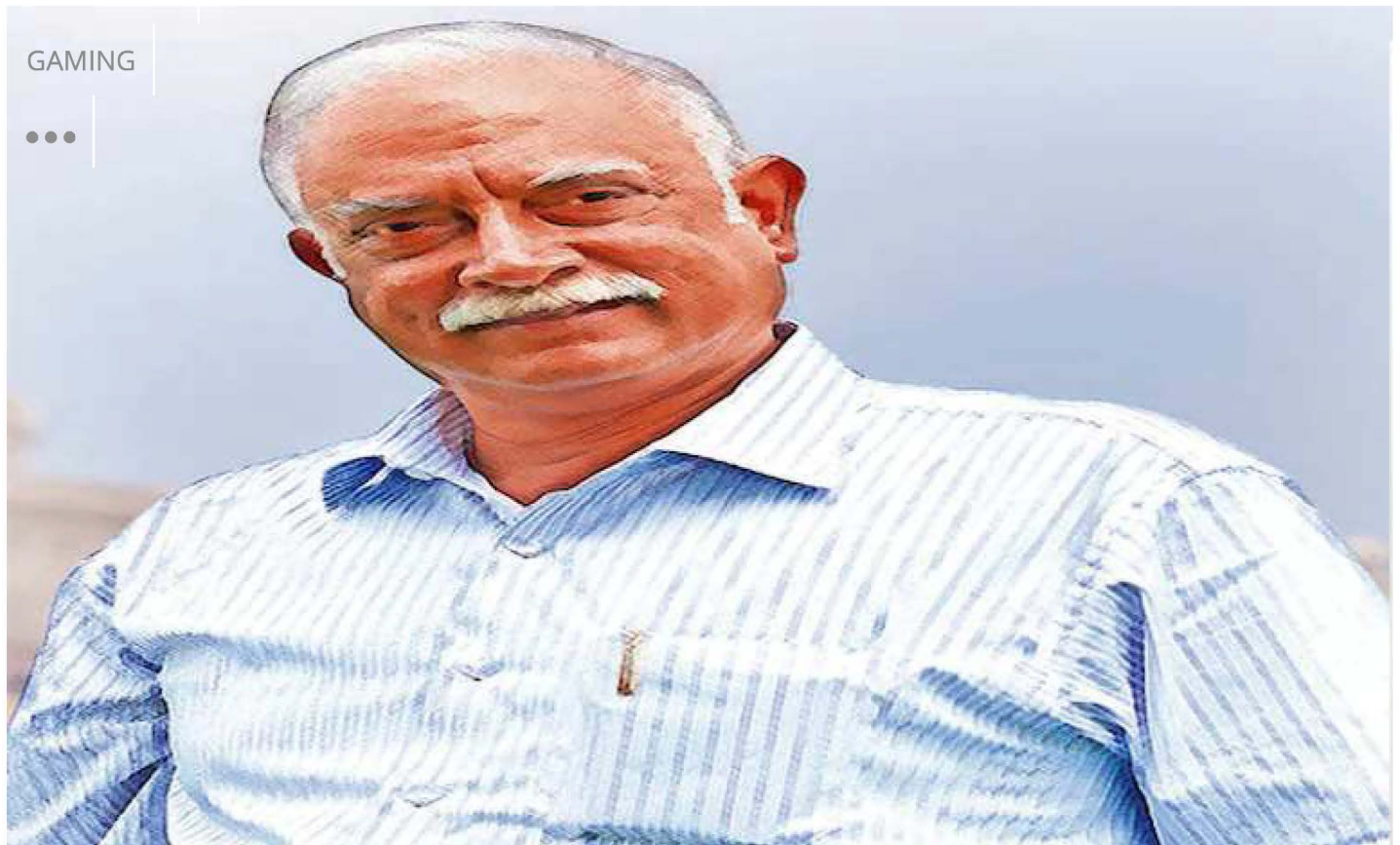
Sanjay Singh

New Delhi October 2, 2014 UPDATED: October 2, 2014 14:40 IST

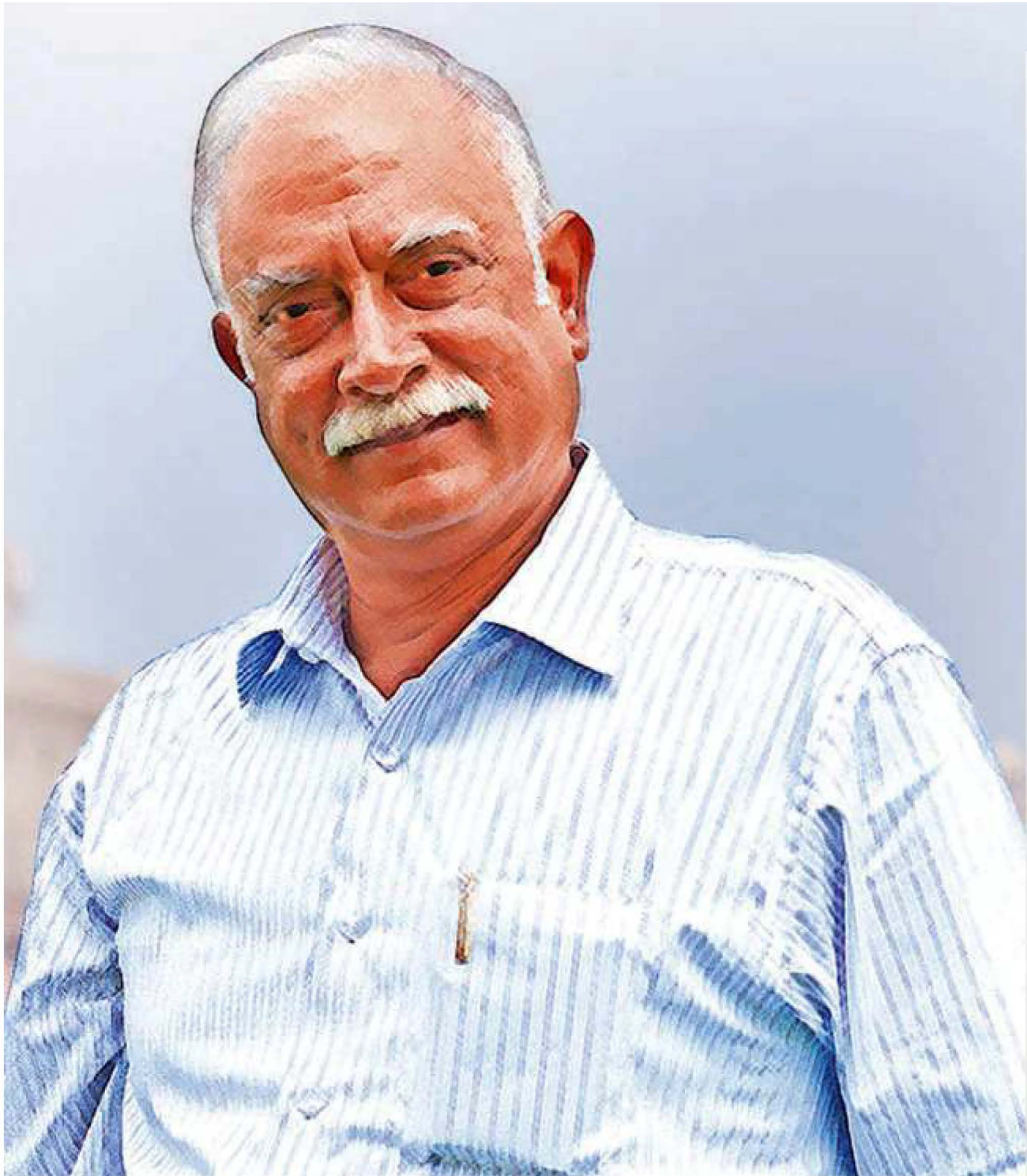
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Union Civil Aviation Minister Ashok Gajapathi Raju Pusapati.



Union

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Civil Aviation Minister Ashok Gajapathi Raju Pusapati has come down heavily on his predecessors (Praful Patel and Ajit Singh) and said many of the decisions- taken by the UPA government- concerning India's aviation sector made no commercial sense and are responsible for landing Air India in a mess.

"Many decisions taken by the UPA government made no commercial sense. Over 100 planes were procured for Air India. Did it make sense? Why do the bilateral flying rights

signed with foreign countries remain unutilised by Indian carriers? Why did Indian carriers apply for these flights if they had no intention of expanding their operations?" the minister said in an exclusive interview to MAIL TODAY.

## Incurring Losses

The UPA government had in 2004 ordered 111 planes for Air India for Rs 51,000 crore. Since then, the airline has accumulated losses of over Rs 30,000 crore.

The minister accused his predecessors of liberally doling out excessive bilateral flying rights to foreign carriers. Puspapati said such wrongdoings by the UPA regime have badly hurt the sector.

"My predecessors (Ajit Singh and Praful Patel) have given away flying rights to foreign carriers knowing fully well that the Indian players are not able to perform and would not get any benefit in return. While foreign carriers are contributing to the growth of their respective countries, we are not," the minister lamented. "As of now, we have air bilaterals with many countries but Indian carriers are not able to utilise these bilaterals," he added. The civil aviation ministry will soon seek an external audit of bilateral seat entitlements after it found that some Indian carriers were not fully utilising the seats allocated to them. The audit will essentially look at the actual utilisation of bilaterals by Indian carriers in comparison to their international counterparts. India has signed bilateral rights with over 100 countries.

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There are over 8,50,000 weekly seats on international air routes. While the actual utilisation by Indian carriers is less than 40 per cent of the total allocation, foreign carriers

use over 85 per cent of the allocated seats they get under bilateral agreement.

Bilateral air service agreements often spark controversy due to lack of rules that define negotiations of flying rights, which is measured in terms of the number of weekly seats between two nations.

Pusapati said a new civil aviation policy would be put in place in the next few months. "We have not fixed any timeline. We would like to come out with a new policy in a reasonable time, so that it becomes effective. Even if we currently don't have the policy, it doesn't have implications. We have ensured that it doesn't affect the Indian aviation sector. We recently interacted with the airlines and their points of view were also taken into account," Pusapati said.

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## Seeking replies

On Air India's decision to sell off all eight brand new widebodied Boeing 777-LRs at a throwaway price, the civil aviation minister said, "All commercial decisions taken by Air India do not give an impression that these were made as a commercial exercise. First of all, it didn't make any commercial sense to buy these nor did it make any commercial sense to sell these planes."

"We will soon seek a reply from the Air India management in this regard. What is the basis of these decisions? What is the commercial viability?

Why have they taken such a stand? We don't want them to be undecided about things," the minister explained.

Mail Today had written a story in April this year on how Air India had gone in for a distress sale of five Boeing 777-LRs to Abu Dhabi-based Etihad Airways at merely one-third of the listed price of 2004. Interestingly, Etihad is now looking at buying three more Boeing 777 LRs from Air India to use these planes on international routes.

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Pusapati said Air India has largely failed to implement the turnaround and financial reconstruction plan. "It (the plan) doesn't seem to be that effective. I think a lot of tweaking and tinkering has to be done. If they have to survive they have to perform. Survival at any cost is not acceptable. We have issued guidelines which we thought were reasonable," the minister said.



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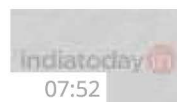
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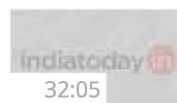
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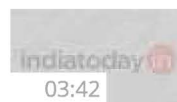
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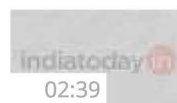
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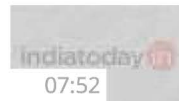


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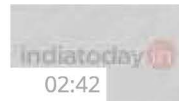
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